

E-Mail ALPERSRU A/03

Subj: 2003 LEGISLATIVE PAY CHANGE IMPLEMENTATION

Ref: (a) [ALCOAST 585/02](#)
(b) [Coast Guard Pay Manual, COMDTINST M7220.29A](#)
(c) [Source Data Automation II User Manual, HRSICINST M5231.2 \(series\)](#)
(d) [ALCOAST 429/02](#)

Introduction This E-mail ALPERSRU provides the status of the implementation of the 2003 legislative pay change.

It also prescribes procedures for PERSRUs in connection with legislative pay changes to Basic Allowance for Housing (BAH).

Entitlement The following legislative pay changes announced in reference (a) will be
Rate Changes implemented on the dates shown below:

Legislative Pay Change	Effective Date	Reflected in Payday Of
Basic Pay [new rates can be found at: http://militarypay.dtic.mil/actives/index.html]	1 Jan 2003	15 Jan 2003
Basic Allowance for Subsistence [new rates can be found in reference (a)]	1 Jan 2003	15 Jan 2003
Basic Allowance for Housing [new rates can be found at: http://www.dtic.mil/perdiem/bah.html]	1 Jan 2003	15 Jan 2003
Federal and State Income Tax Withholding (FITW and SITW)	1 Jan 2003	15 Jan 2003
COLA (CONUS and OCONUS) [new rates, when published, can be found at: http://www.dtic.mil/perdiem/ccola.html]	1 Jan 2003	31 Jan 2003

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**Changes to
Active Duty
TRICARE
Dental Plan
(TDP)
Premiums**

The rates for dental premiums have changed effective with the January 2003 premium deductions (February 2003 coverage).

The active duty single premium rate has increased from \$7.90 to \$8.14 per month, and the family premium rate has increased from \$19.74 to \$20.35.

More information, and new rates for reserve members, can be obtained on the United Concordia website at <http://www.ucci.com>, or by contacting UCCI Customer Service at 1-800-866-8499.

**PERSRU
Action – Rental
Charge for
Inadequate
Government
Quarters**

With the increase in BAH Type II rates, the rental charge for members who reside in Inadequate Government Quarters must be re-calculated in accordance with section 3.E.5, reference (b).

HRSIC (MAS) will send PERSRUs an E-Mail with a listing of members who show in PMIS/JUMPS as being assigned to inadequate government quarters.

Upon receipt of the listing, the PERSRU shall submit a Start/Resume Pay and Allowances (Change Rental Charge for Inadequate Gov't Quarters P607) transaction, in accordance with page 2-A-172, reference (c), with an effective date of 1 January 2003.

**BAH-PCS to
Members E-4
and Below**

Effective 1 January 2003, members without dependents in pay grades E-4 and below are entitled to BAH while in a leave or travel status between permanent duty stations.

Members Residing On the Economy and Receiving BAH at the Without Dependents Rate At the Time of PCS. PMIS/JUMPS will automatically pay BAH-PCS to these members. When the Departing PCS transaction processes, segment 35 will remain open while the member is enroute. When the PCS Reporting transaction processes, segment 35 will be automatically shut down the day before the member reports PCS. The PERSRU shall submit a P606 transaction to start the appropriate BAH entitlement for the new PDS.

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**BAH-PCS to
Members E-4
and Below
(cont'd)**

Members Assigned INCONUS Residing in Government Quarters At The Time of PCS. PMIS/JUMPS will automatically pay BAH-PCS to these members. When the Departing PCS transaction processes, Assignment to government quarters (segment 16), BAH II without dependents (segment 18) and BAH Partial (segment 19) will be automatically shut down the day prior to departure, and BAH Without Dependents (segment 35) will be opened effective the date of departure PCS. When the PCS Reporting transaction processes, BAH Without Dependents will be automatically shut down the day before the member reports PCS. The PERSRU shall submit the appropriate BAH entitlement transaction (P606) through SDA II for the new PDS.

Note: If the member is currently being paid CONUS COLA (segment 31), PMIS/JUMPS will automatically start BAH Without Dependents upon departure PCS for the zip code shown in JUMPS. If the member is not being paid CONUS COLA, the PERSRU must submit the start BAH Without Dependents transaction (P606) through SDA II on the date of departure PCS.

Members Assigned OUTCONUS At The Time of PCS. PMIS/JUMPS will not automatically pay BAH-PCS to these members. When the Departing PCS transaction processes, if the member is residing in Government quarters, Assignment to Government Quarters (segment 16), BAH II Without Dependents (segment 18) and BAH Partial (segment 19) will be automatically shut down the day prior to departure. Effective the date of departure PCS, the PERSRU must submit the start BAH Without Dependents transaction (P606) through SDA II. The transaction shall contain the following information:

- BAH Code = G or H, as applicable.
- BAH Zip Code = 00000 if the PDS is an OHA eligible-locale.
- BAH Zip Code = zip code of PDS if not an OHA eligible locale'.

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BAH-PCS to Members E-4 and Below (cont'd)	If Zip Code 00000 is used, the member will be paid BAH Type II at the without dependents rate (segment 18) while enroute PCS. If an actual Zip Code is used, the member will be paid BAH Type I at the without dependents rate (segment 35) while enroute PCS. When the PCS Reporting transaction processes, segment 18/35 will be automatically shut down the day before the member reports PCS. The PERSRU shall submit a Start BAH (P606) transaction through SDA II to start the appropriate BAH entitlement for the new PDS.
FY-2003 Leave Carryover	<p>Per reference (d), members are authorized to carryover up to 90 days leave into Fiscal Year 2003.</p> <p>Leave authorized for carryover will be reflected on members' January 2003 Leave and Earnings Statement (LES).</p>
New BAS-II Entitlement	Paragraph 2.C.2 of reference (a) discusses a new BAS-II entitlement effective 1 January 2003. The policy and entitlement rules for this new entitlement are still in the development stages; the new entitlement will not be implemented until policy development is complete.
Annual Validation of BAH, Dependency and Emergency Data	<p>PERSRUs are reminded that section 3.C.7, reference (b), requires validation of BAH entitlements and certification of dependent status annually during November.</p> <p>If PERSRUs have not yet completed the annual validation, they should take immediate action to do so.</p>
Questions	Questions may be directed to the HRSIC Customer Service Team at 785-339-3540 (menu option #2).
Released by	Internet release authorized.

//s//
M. P. SULLIVAN
Deputy Director

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ALCOAST 585/02

COMDTNOTE 7220

SUBJ: FY2003 MILITARY PAY AND BENEFITS

A. THE BOB STUMP NATIONAL DEFENSE AUTHORIZATION ACT OF FY03 (PUBLIC LAW 107-314)

B. U.S. COAST GUARD PAY MANUAL, COMDTINST M7220.29A

C. JOINT FEDERAL TRAVEL REGULATIONS (JFTR)

D. THE NATIONAL DEFENSE AUTHORIZATION ACT OF FY02 (PUBLIC LAW 107-107)

1. THIS ALCOAST CONCERNS THE MILITARY COMPENSATION IMPLICATIONS OF REF A, WHICH THE PRESIDENT SIGNED INTO LAW ON 02 DEC 2002. THE FOLLOWING ITEMS IN REF A IMPACT MILITARY COMPENSATION.

2. PAY AND ALLOWANCES.

A. EFFECTIVE 1 JAN 2003, ACROSS THE BOARD BASIC PAY RAISES OF AT LEAST 4.1 PERCENT FOR ALL MEMBERS AND UP TO 6.5 PERCENT FOR TARGETED PAY GRADES.

B. BASIC ALLOWANCE FOR HOUSING (BAH):

(1) REDUCTION OF AVERAGE OUT-OF-POCKET COSTS FOR THE DOD STANDARD OF HOUSING FOR EACH PAY GRADE FROM 11.3 PERCENT TO 7.5 PERCENT.

(2) INCREASE IN BAH RATES FOR MOST PAY GRADES IN MANY MILITARY HOUSING AREAS (MHA). BAH INCREASES IN 2003 DEPEND ON LOCATION AND WHETHER THE MEDIAN COST OF RENTAL HOUSING IN EACH MHA INCREASED RELATIVE TO 2002. IF THERE WAS NO MEASURABLE MEDIAN LOCAL RENTAL HOUSING COST INCREASE (OR A ROLL-BACK) THEN

THERE WILL LIKELY BE LITTLE OR NO BAH RATE INCREASE FOR THAT MHA. IN MHAS WHERE THERE ARE NO BAH INCREASES IN ANY PAY GRADE, THE RENTAL COST SURVEY INDICATED A REDUCTION IN HOUSING COSTS SUFFICIENT TO OFFSET THE ENTIRE 11.3 TO 7.5 PERCENT OUT-OF-POCKET REDUCTION. NO BAH RATES IN ANY MHA WILL BE LOWERED EVEN IF MEASURED HOUSING COSTS DECREASED.

(3) BAH RATES IN COUNTY COST GROUP (CCG) AREAS. CCGS ARE COMPRISED OF THOSE NON-MHA AREAS NOT MEASURED BY DOD IN THE ANNUAL SURVEY OF RENTAL HOUSING COSTS AND HAVE BAH RATES BASED UPON FAIR MARKET RENTAL (FMR) DATA COLLECTED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD). EFFECTIVE 1 JAN 2003, BAH RATES IN CCGS WILL BE REALIGNED ACCORDING TO THE MOST RECENT HUD FMR DATA AND UNITS WITH CCG BAH RATES MAY SEE EITHER AN INCREASE OR DECREASE IN THOSE RATES. IN CASES OF RATE INCREASE AT UNITS WITH CCG BAH RATES, ALL MEMBERS WILL BE ENTITLED TO THE NEW RATES FOR THEIR RESPECTIVE PAY GRADES. IN CASES WHERE CCG BAH RATES DECREASE, MEMBERS WHO WERE ASSIGNED TO THOSE UNITS ON 31 DEC 2002 OR EARLIER WILL BE RATE-PROTECTED AT 2002 BAH RATE LEVELS. MEMBERS WHO REPORT, ON 1 JAN 2003 OR LATER, TO UNITS WITH CCG BAH RATES THAT ARE DECREASED RELATIVE TO 2002 BAH RATES WILL BE ENTITLED TO THE NEW 2003 RATES. SEE SECTION 3-C-7 OF REF B FOR POLICY CONCERNING BAH RATE PROTECTION UNDER THESE CIRCUMSTANCES.

(4) PER REF D BAH WILL BE PAYABLE TO SERVICE MEMBERS IN GRADES E4 AND BELOW IN A LEAVE OR TRAVEL STATUS BETWEEN PERMANENT DUTY STATIONS EFFECTIVE 1 JAN 2003.

C. BASIC ALLOWANCE FOR SUBSISTENCE (BAS):

(1) EFFECTIVE 1 JAN 2003:

(A) THE OFFICER BAS RATE IS 167.20 DOLLARS PER MONTH.

(B) THE ENLISTED BAS RATE IS 242.81 DOLLARS PER MONTH.

(C) THE ENLISTED REGULAR BAS RATE REMAINS AT 262.50 DOLLARS PER MONTH.

(D) THE DISCOUNT MEAL RATE, CHARGED ENLISTED MEMBERS ASSIGNED TO CUTTERS AND SHORE UNITS WHERE MANDATORY MESSING IS REQUIRED, INCREASES TO 7.00 DOLLARS PER DAY.

(E) THE COMRATS RATE FOR ENLISTED RESERVISTS WHO PERFORM IDT OF EIGHT OR MORE HOURS PER CALENDER DAY AND ARE NOT PROVIDED SUBSISTENCE-IN-KIND WILL BE: BREAKFAST 1.62 DOLLARS, LUNCH 3.32 DOLLARS, SUPPER 3.32 DOLLARS.

(2) EFFECTIVE 1 JAN 2003, REF A AUTHORIZES A NEW BASIC ALLOWANCE FOR SUBSISTENCE RATE (BAS-II) FOR ENLISTED PERSONNEL OCCUPYING SINGLE GOVERNMENT QUARTERS WITHOUT ADEQUATE AVAILABILITY OF MEALS. THIS NEW BAS RATE (BAS-II) WILL BE TWICE THE ENLISTED BAS RATE. BAS-II WILL BE PAID WHERE MEMBERS ARE REQUIRED TO RESIDE IN SINGLE-TYPE QUARTERS AT THEIR PERMANENT DUTY STATIONS (INCLUDING BARRACKS AND SHIPBOARD QUARTERS), AND GOVERNMENT DINING, CONTRACTED DINING, OR IN-ROOM COOKING FACILITIES ARE NOT AVAILABLE. REF B WILL PROVIDE ADDITIONAL GUIDANCE ON APPLICABILITY, CONDITIONS OF ENTITLEMENT AND REQUIRED AUTHORIZATION FOR BAS-II IN A FORTHCOMING CHANGE.

3. TRAVEL AND TRANSPORTATION:

A. PREVIOUSLY ANNOUNCED FY02 NDAA CHANGES EFFECTIVE 1 JAN 2003:

(1) PER DIEM RATE FOR PCS TRAVEL: THE FLAT PER DIEM RATE FOR PCS TRAVEL INCREASES FROM 50 DOLLARS TO EQUAL THE STANDARD CONUS PER DIEM RATE, CURRENTLY 85 DOLLARS. PER DIEM FOR DEPENDENTS ACCOMPANYING MEMBER IS 63.75 DOLLARS FOR EACH DEPENDENT 12 YEARS OF AGE AND OLDER AND 42.50 DOLLARS FOR DEPENDENTS UNDER 12 YEARS OF AGE.

(2) HOUSEHOLD GOODS (HHG): HHG WEIGHT ALLOWANCES INCREASE FOR JUNIOR ENLISTED MEMBERS WITH PCS ORDERS ISSUED ON OR AFTER 1 JAN 2003.

(A) PAY GRADES E-1 THROUGH E-4 WITH DEPENDENTS – 8000 POUNDS.

(B) PAY GRADE E-4 WITHOUT DEPENDENTS - 7000 POUNDS.

(C) PAY GRADES E-1 THROUGH E-3 WITHOUT DEPENDENTS – 5000 POUNDS.

B. DISLOCATION ALLOWANCE (DLA):

(1) EFFECTIVE 1 JAN 2003, DLA RATES FOR ALL PAY GRADES INCREASE 4.7 PERCENT.

(2) EFFECTIVE 1 JAN 2003, THE RATE FOR PARTIAL DLA IS 523.50 DOLLARS. PARTIAL DLA IS PAYABLE WHEN A MEMBER WITH DEPENDENTS IS ORDERED TO OCCUPY OR VACATE GOVERNMENT FAMILY HOUSING NOT IN CONJUNCTION WITH A PCS.

C. PRIVATELY OWNED VEHICLE (POV) STORAGE: MEMBERS ISSUED ORDERS ON OR AFTER 2 DEC 2002, TO A NON-FOREIGN DUTY STATION OUTSIDE CONUS WHERE THE SHIPMENT OF A POV IS RESTRICTED ARE AUTHORIZED STORAGE OF ONE POV AT GOVERNMENT EXPENSE.

D. CONSECUTIVE OVERSEAS TOURS (COT) LEAVE TRAVEL: EFFECTIVE FOR ALL MEMBERS IN A DEFERRED COT LEAVE TRAVEL STATUS OR WHO BECOME ENTITLED TO COT LEAVE TRAVEL ON OR AFTER 2 DEC 2002, TRAVEL MAY BE DEFERRED UNTIL ANY TIME BEFORE THEY COMPLETE THEIR SECOND OVERSEAS TOUR.

E. TRANSPORTATION OF POVS FOR MEMBERS REPORTED AS MISSING:

EFFECTIVE 2 DEC 2002, THE SHIPMENT OF TWO POVS IS AUTHORIZED WHEN A MEMBER IS REPORTED MISSING.

4. RETIREE AND SURVIVOR BENEFITS.

A. EFFECTIVE 1 DEC 2002, THE 2003 RETIRED PAY COLA IS 1.4 PERCENT. MEMBERS WHO RETIRE IN 2003 WILL RECEIVE A REDUCED OR NO RETIRED PAY COLA DEPENDING UPON THE EFFECTIVE DATE OF THEIR RETIREMENT WITH PAY.

B. INCREASED RETIRED PAY FOR ENLISTED RESERVISTS CREDITED WITH EXTRAORDINARY HEROISM. REF A AUTHORIZES AN ADDITIONAL 10 PERCENT TO RESERVE RETIRED PAY FOR ENLISTED PERSONNEL WHOSE AWARDS ARE DETERMINED TO BE UNDER CONDITIONS OF EXTRAORDINARY HEROISM. SUCH DETERMINATIONS ARE MADE BY CG AWARDS BOARD IN THE MEMBERS AWARD CITATION. THIS AMENDMENT BRINGS PARITY IN RECOGNITION OF EXTRAORDINARY HEROISM BETWEEN ACTIVE DUTY AND RESERVE RETIRED PAY RULES. THE RETIRED PAY MULTIPLIER MAY NOT EXCEED 75 PERCENT IN ANY CASE.

C. SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES. EFFECTIVE NLT 31 MAY 2003, RETIREES WITH 20 OR MORE YEARS OF ACTIVE DUTY WHO HAVE BEEN RATED AT 10 PERCENT OR HIGHER FOR A SERVICE-CONNECTED DISABILITY FOR WHICH THE PURPLE HEART WAS AWARDED OR WHO, ACCORDING TO CRITERIA TO BE ESTABLISHED BY SECDEF, HAVE A SERVICE-CONNECTED DISABILITY RATING OF AT LEAST 60 PERCENT THAT WAS CAUSED:

(1) AS A DIRECT RESULT OF ARMED CONFLICT; (2) WHILE ENGAGED IN HAZARDOUS SERVICE; (3) IN THE PERFORMANCE OF DUTY UNDER CONDITIONS SIMULATING WAR; OR (4) THROUGH AN INSTRUMENTALITY OF WAR. RETIREES MAY ELECT TO RECEIVE SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES IN THE CURRENT AUTHORIZED AMOUNT OR AN AMOUNT EQUAL TO WHAT THEY WOULD RECEIVE AS DISABILITY COMPENSATION FROM THE U.S.

DEPARTMENT OF VETERANS AFFAIRS (DVA), WHICHEVER IS HIGHER. SEE SECTION 16-A-10 OF REF B FOR DETAILS ON SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES. MORE INFORMATION ABOUT THIS NEW SPECIAL COMPENSATION ENTITLEMENT WILL BE FORTHCOMING IN AN AMPLIFYING ALCOAST AND EXTENSIVELY PUBLICIZED WITHIN THE RETIREE COMMUNITY.

D. REVISIONS TO FORGOTTEN WIDOWS ANNUITY PROGRAM. EFFECTIVE 1 JAN 2003 THE MAXIMUM FORGOTTEN WIDOWS ANNUITY INCREASES FROM 165.00 DOLLARS PER MONTH TO 185.58 DOLLARS PER MONTH.

E. PERMANENT REDUCTION FROM EIGHT YEARS TO SIX YEARS OF RESERVE SERVICE REQUIRED FOR ELIGIBILITY FOR RETIRED PAY FOR NON-REGULAR SERVICE. MAKES PERMANENT THE TEMPORARY CHANGE IN ELIGIBILITY RULES FOR ENTITLEMENT TO RESERVE RETIRED PAY. THIS MEANS THAT A FORMER ACTIVE DUTY MEMBER WITH 14 OR MORE ACTIVE DUTY YEARS WILL QUALIFY FOR A RESERVE RETIREMENT AFTER SERVING SIX CREDITABLE YEARS IN THE SELECTED OR READY RESERVE. (RETIRED PAY STARTS AT AGE 60 UNDER THE RESERVE RETIREMENT PLAN.)

5. THE ABOVE ITEMS WILL BE INCORPORATED INTO FORTHCOMING CHANGES TO REFS B AND C, BOTH OF WHICH ARE ON-LINE AT WWW.USCG.MIL/HQ/G-W/G-WP/G-WPM/MANUALS.HTM AND WWW.DTIC.MIL/PERDIEM/JFTR.HTML.

6. QUESTIONS AND CONCERNS MAY BE SUBMITTED VIA E-MAIL (PREFERRED) TO COMPENSATION (AT) COMDT.USCG.MIL OR, IF NO INTERNET ACCESS, BY PHONE TO C. L. SAMUEL AT 202-267-2210.

7. INTERNET RELEASE AUTHORIZED.

8. RELEASED BY RADM K. T. VENUTO, ASSISTANT COMMANDANT FOR HUMAN RESOURCES.

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